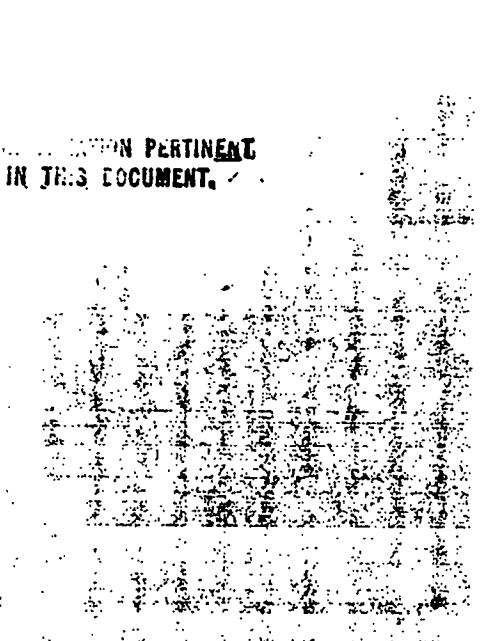


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PERTINENT INFORMATION			
Portinent info of Ferenc Farkas attached.			
<p>This is all information PERTINENT TO THE SUBJECT IN THIS DOCUMENT.</p> 			
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HUNGARIAN DISSIDENT ACTIVITIES

The "conspiratorial complex," a term often used to describe the mental processes which motivate the activities of dissident national groups from eastern Europe, is nowhere more apparent than in the scheme of the Hungarian refugees living in Germany who hope to regain control of the government in Budapest. The enthusiasm for their cause is characterized not only by the fantastic plots designed to further their ends, but also by a childish naivete which prevents them from viewing their situation with realism and from understanding the motives of the occupying powers with whom they have to deal, thus revealing a lack of political sense. These characteristics are projected against a backdrop of internal rivalries, an intolerance of dissidence within the movement, and an unwillingness to compromise even minor differences. These factors alone are sufficient to doom a movement which is calculated to unseat a government kept in power by complete unity of direction and action.

At the close of hostilities, there were approximately 100,000 Hungarians in the United States Zone of Germany. These consisted principally of prisoners of war who fled before the advance of the Red Army in order to surrender to the United States Forces rather than to their murderers, and civilians who fled to avoid becoming involved in actual hostilities. There was also a small group of high-ranking officers who had accompanied the Regent, Admiral Miklos Horthy, to Germany after his arrest by the Gestapo in October 1944 for attempting to negotiate a separate armistice with the Allies under the pressure of the advance of the Red Army. A large number, and the most discontented to United States authorities, is that headed by Ferenc Peretz, former Hungarian general, consisting of individuals who had remained in Hungary after Horthy's arrest. This group caused General To remain in the war until the bitter end, and while its members did not in all cases belong to the Arrow Cross (Hungarian Nazi) Party led by the now Prime Minister Ferenc Szalasi, they were - and are - individuals of extreme nationalism and fascist leaning, a fact which they will have difficulty in hiding in the days of popularity of democratic slogans. On the whole, they are the survivors of the land-owning feudal aristocracy of Hungary, whose descendants have been raised by a long anti-Semitic, anti-Slav and anti-Bolshevik prejudices. Therefore, it is no wonder that these men and institutions can be expected that they would be welcomed with open arms should the Regime of Tito reappear in Hungary.

While the prisoners of war were granted repatriation to Hungary (most of them before the end of 1945), the civilian refugees' behavior was not so scrupulous; also returned home about 10,000 Hungarians who remained in Germany, including the followers of Peretz and the clerics.

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of Horthy's train. The rank and file of these groups apparently have been absorbed into the German economy. None are in the DP category as they are ex-enemy nationals, and therefore are not entitled to consideration by the IRO.

Parkas first entered the dissident picture in Germany by his association with the Anti-Bolshevik Hungarian Liberation Movement (AHLM). There are two versions as to the origin of this organization. One source states that it was organized in 1943 by the surviving followers of Prime Minister Count Teleki who committed suicide in 1941 in protest against Hungary's alliance with Germany. According to this story, the present membership of AHLM would be of like political orientation, but the fact that these same individuals helped keep Hungary in the war for Germany's salvation for almost nine months, makes this story subject to doubt. More likely is the story that the organization had its beginning in Germany in 1946. Its existence became known in the United States Zone in March 1947. For some time prior to this, a religious organization founded by a group of Hungarian Catholic priests and known as the Vatican Mission had been in existence at Ingolstadt (Bavaria). The most prominent of these clergymen was ~~Cardinal~~, who carries the title of Apostolic Delegate. The stated aim of the mission was to register all Hungarians in Germany for the purpose of reuniting separated families. This activity was highly successful, and thus the Parkas group came into prominence through its association with the mission. Upon realizing their advantageous position, Parkas and Kotsai brought AHLM into existence. To facilitate the organization's activities Parkas and Kotsai leased Schloss Guttenburg, a small castle on the River Inn in southeastern Bavaria, for the purpose of conducting religious and charitable activities, but also as a center for the various groups to converge to establish officially the Hungarian living in Germany.

Parkas himself has a degree of international prominence. He has been active in the International Boy Scout movement and currently is serving as a leader in this interest. He is alleged to have obtained his authority over Boy Scout interests which took place in Paris in turn, through the use of his consular official status. His involvement in the Boy Scouts was a potential aid in obtaining legal travel papers or extra legal abilities. In any event, the prominence of Parkas in the movement gave him contacts with important people in every western country involved in the Boy Scouts. He claimed to be in touch with

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charitable organizations. The Hungarians thus have used the Boy Scout and religious activities to maintain a certain amount of political unity. Farkas realized, through his success in making his name known among the Hungarians in Germany, that he had political possibilities, and he began thinking about the advantages of his position as a leader. A break came in May, 1947, when the Communist elements in the Budapest government acted against Prime Minister Ferenc Nagy, then on leave in Switzerland, ousting him from office and causing him to refuse to return to Hungary. This action brought vigorous protests from the Foreign Office of the British Government and the United States State Department. Farkas and his followers misinterpreted these protests as being the preliminaries to withdrawal of recognition of the Budapest Communist-dominated government, and undoubtedly felt that the time to act had come, lest rival groups "get in on the ground floor" of the new Hungarian regime.

Farkas was still not in a position to obtain sanction from Military Government to organize a Hungarian-in-exile. Instead, he used his paper, the Magyars Falujai Napló, to announce his cause, and traveled throughout western Europe on what, in American politics, would be called a fact-finding campaign. The climax came three months later with the advent of St. Stephen's Day. St. Stephen is the most venerated historical and religious figure in Hungarian tradition. He was the first king of Hungary, and Christianized his subjects for which he was later canonized. His festival occurs on 20 August, and is Hungary's most widely celebrated national and religious holiday. Thus, according to Farkas' plan, a celebration of this festival was to take place at Alt-Cetting, and all prominent Hungarians known to be living in Germany were invited, among others, 90-old members of the 1939 parliament and Archduke Joseph who is a remote cousin of Prince Otto of Habsburg, pretender to the throne of Hungary.

With further reference to the vagaries of Eastern European conspiracies, there is nothing so comforting to the conscience of a conspirator as the thought that his illegal activities can be cloaked with a semblance of legality, thus giving him an opportunity to justify himself with a propaganda "talking point." Farkas reasoned that the last legal parliament of Hungary was the one which took office in 1939, entirely overlooking the fact that it was superseded by the one recognized by all nations, and especially the Allied Control Council, after the election of 1946. Thus, when he deduced that any government formed by the members of the 1939 parliament would be the legally constituted government of Hungary, he entirely ignored a multitude of facts that would make this pronouncement fundamentally absurd.

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Nevertheless, the plans for the meeting progressed, and on the eve of St. Stephen's Day the self-appointed saviors of Hungary celebrated the approaching day of glory with a banquet at the Schloss. While the proceedings were under way, an officer of Military Government appeared and invited Farkas to an interview at headquarters at Muellendorf. During this interview, Farkas definitely was told that there would be no political convention the next day, at the same time making it clear that the policy of the United States had not changed. As far as is known, no order was observed, and the festival on 20 August was purely political in character.

This, however, was not the end of Farkas' activities in this field. Since he was thwarted, a list of ministers for the government-in-exile was prepared. It was constituted as follows:

Prime Minister, Temporary Chief of State and Minister of War -	<u>Ferenc Farkas</u>
Deputy Prime Minister and Minister of Finance -	<u>Lajos Tisza</u>
Minister of Foreign Affairs -	<u>Tibor Eckhardt</u> <u>Washington, D.C.</u>
Minister of the Interior -	<u>Sandor Kiss</u>
Minister of Agriculture and Minister of Reconstruction -	<u>Imre Mezey</u>
Minister of Public Supply -	<u>Pál Négyessy</u>
Minister of Industry, Minister of Commerce and Minister of Communication - <u>Gábor Zalán</u>	<u>István Nagy</u>
Minister of Justice and Minister of Education and Religion -	<u>Kálmán Rócsay</u>
Minister of Public Welfare and Health -	<u>Antal Incze</u>
Minister of Public Enlightenment -	<u>József Ávila</u>
Undersecretary of State -	<u>József Patkfalvy</u>

All of the foregoing except Eckhardt are in Germany.

It is not known whether Tibor Eckhardt was included as Foreign Minister with his consent. Reason suggests that he was not, for Eckhardt represented the Horthy regime in Washington, and obviously Horthy will have none of Farkas and his works. It is believed that this was a move to benefit by Eckhardt's connections in the United States. Also, it will be noted that some ministries are filled by persons with more than one portfolio. This allegedly was done to provide places for refugee officials yet to come out of Hungary, apparently another move on Farkas' part to rationalize his position.

The ban placed on Farkas' activities subdued but did not squelch him. During the last week in September 1947, another meeting was held at

Schloss Guttenburg, attended by a number of mayors, Landräts, and other officials of the Bezirk level who held office during the Szalasi regime in 1944-45. Their activities were non-political on the surface, and Farkas and Kotsai attended but remained in the background. This maneuver further illustrated Farkas' coyness, for the meeting was conducted by his aide, Ladislaus Nagy, former mayor of Ungvar, Hungary. Egon Ziegler, interpreter for Kotsai, also took a leading part, while Archduke Joseph was vicariously active through Sigismund Csicsery, his private secretary. A similar meeting occurred during the second week of December. In both of these meetings the theme was the need of leadership among the Hungarians, and no mention was made openly of a government-in-exile. However, there was talk of forming a committee of "experts" to take over "when the present government collapses." Since that time, there have been no new developments in Farkas' and Kotsai's activities. It is predicted that they will not remain dormant long. To be effective political leaders they will have to show some positive results or they will lose their following.

Recently, Farkas' principal rival in his activities in Germany has been Gustav Henneyey, like Farkas a former general in the Hungarian Army. According to Henneyey's own story, he was foreign minister in Horthy's cabinet when the regent sought an armistice in 1940. Horthy had sent him to Switzerland to negotiate with the British ambassador diplomatic representative, but the Germans got wind of his efforts, arrested Horthy and his ministry and brought them to Germany for imprisonment, meanwhile placing the Arrow Cross Party in power. Thus, Henneyey's relationship to the United States authorities was better than that of Farkas, and he was recognized as the proper official to assist in the repatriation of the Hungarians stranded in the United States. Through his efforts in this connection, he became interested in the welfare of those who remained, whereupon he opened an office in Munich, known as the Hungarian Welfare Office. In effecting repatriation, it became necessary to cooperate with duly constituted officials in Budapest and missions representing them, a fact which Farkas used as a basis for accusations of pro-Communist tendencies. Farkas used the columns of his Magyar Várad for these attacks, while Henneyey, in the best European tradition, answered by circular and attacked Farkas as a Nazi collaborator.

The more intelligent Hungarians, realizing that their only hope for movement lay in unity, resented this personal feud. Through the efforts of Koloman Salonta, former member of the Nagy Cabinet, the two finally sat down at the same table and reached an agreement not to fight, to retract in their respective media every evil word theretofore used against one another, and to work for the welfare of all Hungarians.

It is apparent that Henneyey enjoys more influential contacts in and out of Germany than Farkas. Henneyey, as a follower of Horthy, has access

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to Archduke Otto. Otto in turn has associations in the United States and Switzerland, through whom Hennyey and he are attempting to obtain recognition of the Hungarians in Germany as DP's, thereby entitling them to IRO aid. So far these efforts have not been successful.

Horthy himself has been inactive, probably due to his age. It is doubtful whether he will ever become an important figure in Hungarian activities in the zone. He is residing presently in Weilheim, in Upper Bavaria.

It was at one time believed that Farkas and Kotsai, due to Kotsai's office of Apostolic Delegate, had the endorsement of the Vatican in their activities. Later developments have discredited this theory. Cardinal Jozef Mindszenty, leading church official of Hungary, and the most outspoken critic of the present regime, has caused the establishment of a Hungarian parish in Munich by a religious group called "Fathers Hungary." The founder of this group is Dr. Franz Rosalyi, who has placed this parish under the authority of Cardinal Faulhaber of Munich. Due to Mindszenty's and Faulhaber's close connections with the Vatican, it may be assumed that Kotsai is Apostolic Delegate to the Hungarian Mission, rather than an envoy from the Vatican to Farkas.

In conclusion, it may be stated that the Hungarians themselves are only of general importance in respect to United States authorities. From all indications, the Farkas group is penetrated by Hungarian Communists; therefore the Hungarian government - and through it, the Soviet government - must know that the United States is discouraging all organized political activities. Their program, like the presence of all dissident national groups, is embarrassing to the extent that individuals are frequently accused of war crimes and no effort is made to extricate them, thereby placing the United States in a defensive position in behalf of recent arrivals. However, as Hungarian agents, illegal and reactionary elements are utilized to circulate propaganda throughout the zone, the existence of these dissident groups will be used by new channels for the introduction of unorthodox elements into the zone. The ultimate trouble is likely to be one for the German economy, for unless the Germans, in respect regard commerce and labor beneath their dignity, and if only a minimum of the population will find themselves willing to live by means of robbery.